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CITY OF SAN JOSE
HOUSING DEPARTMENT

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Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Krutko
Director of Housing

**SUBJECT: PRODUCTION REPORT FOR
JULY 1 – SEPTEMBER 30, 2005**

DATE: November 21, 2005

Approved

Date

11/21/05

COUNCIL DISTRICT: Citywide

INFORMATION

This report covers activity in the Project Development Program for the first quarter of the 2005-06 Fiscal Year. The objective of the Project Development Program is to increase, preserve, and improve the supply of affordable housing in San Jose.

The Mayor and City Council have set a target of 10,000 affordable units to be completed or to start construction during the period of January 1, 1999 to December 31, 2006.

To date, 8,499 affordable units have been completed, with an additional 1,406 currently under construction. **Attachment 1** details the status of the eight new construction projects that are currently under construction. Funding commitments for 636 additional units have been made, while 262 units are seeking City funding. Also, there are 522 potential units in the planning stage (see **Attachment 2**).

City Council Actions

On August 23, 2005, the City Council approved a change in the previously authorized borrower from the Housing Authority of the County of Santa Clara to ROEM Development Corporation, or a designated affiliate, for the \$8,378,250 loan approved on April 13, 2004, for the 130-unit Corde Terra Family Apartments project (formerly known as Fairgrounds Family Housing) located at 350 Tully Road, resulting in a combined project of 300 units and a combined loan in an amount up to \$21,187,440.

On September 13, 2005 the City Council approved an increase in the number of restricted affordable units at the Villa Solera Apartments, located at 1385 Lucretia Avenue. The number of units restricted to residents at or below 60% of Area Median Income (AMI) increased from 58 to

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80. This results in an affordable unit mix of 20 units restricted to households earning up to 50% AMI and 80 units restricted to households earning up to 60 % AMI.

Grand Openings and Groundbreakings

During the first quarter of the fiscal year, a number of ceremonial events related to City-funded affordable housing projects were held:

- On August 4, 2005, JSM Enterprises held the grand opening of Oak Tree Village, a 175-unit affordable family rental project located on the northeast corner of Branham Lane and Monterey Highway.
- On August 5, 2005, the Ketzal Community Development Corporation hosted the grand opening of Las Mariposas, a 66-unit affordable for-sale project located on the northeast corner of Alum Rock Avenue and Jose Figueres Drive.
- On August 25, 2005, the San Jose Conservation Corp & Charter School (aka YouthBuild San Jose) hosted the groundbreaking for Hennessy Place, a 7-unit affordable for-sale project located at 12385 Blossom Hill Road.
- On September 9, 2005, the groundbreaking for the Corde Terra Family Apartments was held. This 300-unit affordable family rental project, located at 350 Tully Road, is sponsored by ROEM Development Corporation.

As the need for affordable housing in San Jose continues to grow and as resources remain limited, the Housing Department continues to seek and utilize all available opportunities to meet the affordable housing production goals set by the Mayor and City Council.


LESELYE KRUTKO
Director of Housing

cc: Housing Advisory Commission

Attachments:

- Attachment 1 -- Summaries of Projects Currently Under Construction.
- Attachment 2 -- Highlights of Activities since January 1, 1999, to June 30, 2005



Attachment 1

**Summaries of Projects Currently Under Construction
as of September 30, 2005**

ALMADEN FAMILY

District 7

Developer: Almaden Family Housing Partners, L.P.

Location: 1525-1541 Almaden Road

Units: 225 units of family housing: 46 ELI/177 LI/2 unrestricted manager's units

Council Action: Approval on April 1, 2003, of a funding commitment for permanent financing. Approval in October 2003 of a bond issuance and a loan of bond proceeds.

City Funds (Permanent): up to \$13,775,000

Subsidy/Unit: \$61,771

Estimated Project Cost: \$57,097,000

Construction started in April 2005. Completion is anticipated in September 2006.

Photos:

TOP: A northwest view of Building A.

MIDDLE: Looking South across the Building B podium.

BOTTOM: Looking northwest across the Building B podium.



ART ARK

District 3

Developer: CORE Development, Inc.

Location: Northeast corner of South 5th and Keyes, within the Martha Gardens Specific Plan boundaries.

Units: 148 units of housing with the marketing of the units targeted to the arts community: 44 ELI/102 VLI/ 2 unrestricted manager's units

Council Action: Approval on April 13, 2004, of a funding commitment for construction and permanent financing, and a grant for ELI units.

City Funds (Permanent): up to \$5,671,900 and a conditional grant of up to \$2,300,000 of RDA funds

Subsidy/Unit: \$55,607

Subsidy/ELI Unit \$53,273

Estimated Project Cost: \$37,001,209

Construction started in April 2005. Completion is anticipated in December 2006.

Photos:

TOP: Looking North at the cottage building and the whale garage.

MIDDLE: A view of the southeast elevation of the cottage building along Sixth Street.

BOTTOM: Looking North at the site of the factory buildings.



BELLA CASTELLO

District 3

Developer: Bella Castello Family
Apartments, L.P.

Location: Southeast corner of 12th Street
and Keyes Street

Units: 88 units of family housing; 10
ELI/ 58 VLI/ 19 LI/ 1
unrestricted manager's units

Council Action: Authorization on December
16, 2003 for the Director of
Housing to negotiate and
execute a Disposition and
Development Agreement and
to approve business terms for
acquisition/predevelopment
financing not to exceed
\$4,265,000.

Delegation Action: Approval of construction
loan terms in February 2004
and approval of permanent
loan terms in December 2004.

City Funds: up to \$4,265,000

Subsidy/Unit: \$49,023

Estimated Project Cost: \$31,253,000

Construction started in December 2004.
Completion is anticipated in June 2006.

Photos:

TOP: A view of the project from the
corner of 12th and Keyes Streets.

MIDDLE: Looking at the West elevation
along 12th Street.

BOTTOM: A view of the South elevation of
the project.



CINNABAR COMMONS

District 6

Developer: Cinnabar Commons, L.P.
(Seven Hills Properties)

Location: West side of Stockton Avenue
between Lenzen Avenue and
Cinnabar Street

Units: 245 units of family housing;
49 VLI/ 194 LI/2 unrestricted
manager's units

Council Action: Approval on January 14,
2003, of a funding
commitment of \$14,046,000
for construction financing.

Delegation Action: Approval of construction/
permanent loan terms in July
2003. Revised loan terms
developed through mediation
on September 23, 2004.

City Funds (Permanent): up to \$24,056,000

Subsidy/Unit: \$98,997

Estimated Project Cost: \$70,045,000

Construction started in March 2004.
Completion is anticipated in January 2006.

Photos:

TOP: A view of the East elevation of
building #4 facing Stockton St.

MIDDLE: Looking North at the South
elevation of buildings #3
overlooking the future courtyard.

BOTTOM: Looking North at the South
elevation along Cinnabar Street.



CORDE TERRA

(Formerly Fairgrounds Family)
District 7

Developer: ROEM Development Corporation, Inc.

Location: 350 Tully Road.

Units: 300 units of family housing;
270 VLI/ 29 LI/ 1 unrestricted
manager's unit.

Council Action: Approval on April 13, 2004, of
a funding commitment for
construction and permanent
financing, and on August 23,
2005, authorization to change
the borrower to ROEM
Development Corporation and
combine the two projects.

City Funds: \$21,187,440

Subsidy/Unit: \$70,625

Estimated Project Cost: \$70,440,103

Construction started in August 2005.
Completion is anticipated for July 2007.

Photos:

TOP: Looking southwest at the below
grade parking garage.

MIDDLE: View of the footings in progress
at the parking garage looking
southeast.

BOTTOM: Looking at the northeast portion
of the project.



DELMAS PARK

District 3

Developer: Delmas Park Associates, L.P.

Location: 598 West San Carlos Street

Units: 123 units of family housing; 26 ELI/ 40 VLI/ 56 LI/ 1 unrestricted manager's unit

Council Action: Approval on June 29, 2004, of a funding commitment of up to \$10,006,605 for construction and permanent financing. Approval in September 2004 of bond issuance and a loan of the bond proceeds.

City Funds (Permanent): up to \$10,006,605

Subsidy/ELI Unit: \$107,692
Subsidy/VLI & LI \$75,069

Estimated Project Cost: \$39,929,260

Construction started in October 2004.
Completion is anticipated in October 2006.

Photos:

TOP: A view on the North elevation of the building from the corner of San Carlos Street and Bird Avenue.

MIDDLE: Looking east at the West elevation along Bird Avenue.

BOTTOM: A view of the East elevation of the building taken from Columbia Avenue.



GISH APARTMENTS

District 3

Developer: First Community Housing, a California nonprofit public benefit corporation.

Location: 1410 North First Street.

Units: 35 units of family housing with 13 units reserved for special needs households; 13 ELI/ 14VLI/ 7 LI/ 1 unrestricted manager's unit.

Council Action: Approval on February 8, 2005 of a funding commitment for construction and permanent financing.

City Funds: up to \$2,475,000

Subsidy/Unit: \$70,715

Construction started in September 2005 with completion anticipated in September 2007.

Photos:

TOP: View of the project facing East.

MIDDLE: Looking North at the corner of the project on First Street and Gish Road.

BOTTOM: View of project across Gish Road looking North.



HENNESSEY PLACE

(formerly YouthBuild Blossom Hill/Croydon)
District 2

Developer: San Jose Conservation Corps
(YouthBuild)

Location: Blossom Hill Avenue opposite
the terminus of Croydon
Avenue

Units: 7 for-sale units

Council Action: Approval on April 8, 2003, of
the transfer of City surplus
property to the Housing
Department.
Approval on May 27, 2003, of
a Disposition and
Development Agreement.

City Funds: \$420,000

Subsidy/Unit: \$60,000

Estimated Project Cost: \$1,750,000

Construction started in April 2005. Completion
is anticipated in September 2006.

Photos:

TOP: A view of form work in progress
at northwest corner of project
site.

MIDDLE: Looking East across project site.

BOTTOM: A view of the project facing
West.



Highlights of Activities -- January 1, 1999 to September 30, 2005**NEWLY CONSTRUCTED AND ACQUISITION/REHABILITATION UNITS**

Under Construction	Completed	TOTAL
1,406	8,499	9,905

City/RdA Funding Committed	Under Construction	Completed	TOTAL
636	1,406	8,499	10,541

City Funding Sought	City/RdA Funding Committed	Under Construction	Completed	TOTAL
262	636	1,406	8,499	10,803

Other Potential Projects	City/ Funding Sought	City/RdA Funding Committed	Under Construction	Completed	TOTAL
522	262	636	1,406	8,499	11,325

Housing Department-Funded Preservation Units

Planning Stage -- Inclusionary	City/RdA Funding Sought	City/RdA Funding Committed	Under Construction	Completed	TOTAL
0	0	0	0	897	897